

16-16-1003 Contribution agreements.

- (1) Except as otherwise provided in the agreement, the following rules apply to an agreement made by a person before formation of a limited cooperative association to make a contribution to the association:
 - (a) The agreement is irrevocable for six months after the agreement is signed by the person unless all parties to the agreement consent to the revocation.
 - (b) If a person does not make a required contribution:
 - (i) the person is obligated, at the option of the association, once formed, to contribute money equal to the value of that part of the contribution that has not been made, and the obligation may be enforced as a debt to the association; or
 - (ii) the association, once formed, may rescind the agreement if the debt remains unpaid more than 20 days after the association demands payment from the person, and upon rescission the person has no further rights or obligations with respect to the association.
- (2) Unless the organic rules or an agreement to make a contribution to a limited cooperative association otherwise provide, if a person does not make a required contribution to an association, the person or the person's estate is obligated, at the option of the association, to contribute money equal to the value of the part of the contribution which has not been made.

Enacted by Chapter 363, 2008 General Session